Waving of "SEB" Dues Towards PSUs

1024. SHRI GAYA SINGH:
SHRI V.V. RAGHAVAN:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government have decided to waive about Rs. 9468 crores out of Rs. 41,473 crore SEB dues towards Central Public Sector Undertakings as a part of the revival package on one time settlement of the SEB dues;

(b) if so, the details of the package worked out;

(c) whether it is a fact that this package is in accordance with settlement of SEB dues; and

(d) if so, what are the details of the recommendations made by the said panel?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) to (d) A statement indicating the status of the settlement of dues of State Electricity Boards towards Central Public Sector Undertakings is enclosed.

Statement

The Status of the Settlement of Dues of the State Electricity Boards Towards the Central Public Sector Undertakings

Undejf the Chairmanship of the Prime Minister a Chief Minister's Conference was held in March, 2001. Among other issues the Conference resolved to constitute an Expert Group to recommend a one time settlement of outstanding dues of the SEBs to the CPSUs and dues from the CPSUs to the State Power Utilities.

An Expert Group under the Chairmanship of Shri M.S. Ahluwalia, the then Member (Energy), Planning Commission was constituted in March, 2001. The Expert Group has since submitted two reports. The first report relating to one time settlement of outstanding dues was submitted in May, 2001 and the second report relating to capital restructuring and reforms was submitted in July, 2001.

The main features of the scheme recommended by the Expert Group for one time settlement of outstanding dues are a$ under:—

(a) 50 per cent waiver of surcharge/interest on delayed payments;

(b) For the remaining dues *i.e.* the entire principle outstanding as well as the remaining 50% surcharge, bonds could be issued by the respective State Governments;

(c) The bonds could be issued through RBI at a tax free interest rate of 8.5%;

(d) The bonds should be structured to achieve a moratorium of 5 years on repayment of principle with the entire principle being repaid between the 6th and 15th year;

(e) the bonds shall be identical to bonds issued in connection with the market borrowings of State Governments, with the attendant discipline in repayments. The bonds will be subject to lock-in-restrictions that will allow release of only 10 per cent of the bonds in the secondary market each year;

(f) For ensuring timely payment of current dues in future, defaults in current payment for power/fuel should attract a graded reduction in the supply of power from central power stations and in coal supplies. Where such defaults exceed 90 days from the date of billing the Ministry of Finance should recover these dues through adjustment against releases due to them from the Centre;

(g) As part of the scheme, SEBs should accept, reform-based performance milestones such a setting up of SERCs, metering of distribution feeders and improvement in revenue realization. The milestones should be specified in the MOUs to be signed with the Ministry of Power;

(h) The states should be offered incentives for complying with the scheme. If SEBs do not default on their current dues and adhere to the performance milestones, CPSUs should pay them, during the first four years commencing from 1.4.2001, bi-annual incentives equal to 2 per cent of the value of bonds;

(i) Further, if SEBs open and maintain LCs till the end of December, 2001, CPSUs should pay them a one time cash incentive

equal to 2 per cent of the value of bonds;

(j) In addition, States undertaking reforms should also be assisted through APDP grants and discretionary allocation of Power;

(k) This scheme should enter into force only after one-half of the States that have an annual billing of over Rs. 500 crore per annum from CPSUs give their consent, and should be effective in respect of the States that give such consent; and

(1) The States that withhold their consent beyond 60 days after this scheme enters into force should be denied any share in the discretionary allocation of 15 per cent from the Power stations of CPSUs as well as any assistance under APDP. If the overdues of such States exceeded to Rs. 50 crores in respect of any CPSU, they should also attract reduction in power and coal supplies, as applicable to the States participating in this scheme.

Following the submission of the Report of the Expert Group a high level Empowered Group consisting of Finance Minister, Dy. Chairman, Planning Commission, Minister of Power and Chief Ministers of some States met on 26.6.2001 and 6.7.2001. The Empowered Group endorsed the recommendations of the Expert Group with the following modifications:—

(i) Waiver of surcharge would now be 60% instead of 50% as recommended by the Group; and

(ii) The incentives for achieving the reform based milestones should be increased to 6% in the first year and 5% in the second year.

Recently, Minister of Power has written to Chief Minister of States and UTs urging them to initiate necessary steps for implementation of the scheme at the earliest.

Seizure Under Narcotics Control Bureau

1025. DR. Y. LAKSHMI PRASAD: Will the Minister of FINANCE be pleased to state:

(a) whether Narcotics Control Bureau receives report on drug seizure regularly from all States; and